

EPE TASK TEAM RECOMMENDATIONS

LABOR MANAGEMENT COOPERATION COUNCIL (LMCC) REPORT



DECEMBER 2011



EXECUTIVE SUMMARY

The current Employee Performance Evaluation (EPE) system has been used by the City for nearly two decades to evaluate municipal workers' job performance (knowledge, skills, and abilities). The current system has served its purpose; however, significant process enhancements are needed to support the City in achieving a culture that recognizes and motivates its workforce to meet and/or exceed desired expectations.

The EPE Task Team recommends revising the EPE process/system to incorporate "best practices" that will serve to enhance employee engagement, to recognize and develop our employees as well as to compel support by the executive teams through the alignment of goals within the department. Some of the process enhancements include, but are not limited to, the following:

1. Alignment of goals and objectives

- Departments develop a balanced scorecard or strategic plan establishing annual goals/objectives
- Supervisors and employees agree on performance metrics to achieve desired goals/objectives
- Employee's goals/objectives align with departmental/division/supervisor's goals and objectives and the employee's competencies/behaviors align with departmental values

2. Measurements that are SMART (Specific, Measurable, Achievable, Realistic and Timely)

- Improve objectivity (specific and measurable)
- Increase consistency (achievable, realistic, and timely)

3. On-going communications between the supervisor and the employee

- Provide quarterly reviews (at minimum) for on-going feedback to reduce year-end surprises
- Celebrate employee development and operational successes

Conclusively, a significant paradigm shift in evaluating the City's workforce is required to address the ever-evolving needs of all stakeholders involved in the EPE process (city, department, supervisor/manager, employee, and citizens). The new EPE process should not be perceived as a "gotcha" or as "documentation hammer" leveraged, by some, to coerce good performance but as a tool to encourage employee development and improve operational outcomes across the city.

Our employees are overwhelmingly hard-working and want to perform well on their jobs. Therefore, the new EPE process/system needs to be a positive experience that provides our workforce with meaningful and objective feedback that will assist them in achieving the strategic service delivery goals of the City thus making the City of Houston one of the best cities in the nation to work, live, shop, and play.

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ACKNOWLEDGMENTS

The EPE Task Team would like to acknowledge and extend our heartfelt gratitude to the following persons who have made the completion of this report possible:

Name	Department
Ernest Davis	Administration & Regulatory Affairs Department (ARA)
Frank Carmondy	Administration & Regulatory Affairs Department (ARA)
Linda Porter	Human Resources Department (HRD)
Scott Ward	Human Resources Department (HRD)
Noel A. Pinnock	Human Resources Department (HRD)

BUSINESS CASE FOR CHANGE

In the 2011 Meet and Confer Agreement negotiations between the Houston Organization of Public Employees (HOPE) and the City, HOPE brought forth a need for EPE reform, which was identified as a priority by members in a survey conducted by HOPE. The members requested a system (process) that is fair, equitable, and effective. Article 12.02 was placed in the contract to address this identified priority to:

“...establish a task force...which shall analyze the overall effectiveness (or ineffectiveness) of the existing Employee Performance Evaluation (EPE) system. Upon completion of the analysis but no later than December 30, 2011, the task force shall provide a report to the LMCC identifying the strength and weaknesses of the existing EPE, and containing recommended means of improving upon or modifying the existing EPE system, or in the alternative recommending an alternate system of the employee evaluation. The LMCC shall reach agreement on a recommendation to the Mayor....no later than February 15, 2012. The Mayor shall implement any changes the Mayor determines necessary to make the City’s employee evaluation system fair, equitable and effective.”

Revisions to the layoff ordinance and recent layoffs have also placed a spotlight on the EPE process. Employees want to ensure that the EPE process is fair and objective in its evaluation of performance, transparent in implementation, and has on-going feedback to provide opportunity to improve performance.

And, the EPE process needs to support creating a culture of high performance by motivating, recognizing and developing employees to achieve the City’s and departments’ goals and objectives that will ultimately make the City a better place to work, live, shop, and play.

PROJECT OVERVIEW

EPE Task Team Representatives:

Two HOPE Representatives

Daniel Box	PWE – Code Enforcement
Isaiah Monroe	ARA – 3-1-1 Call Center

Three City Representatives

Alfred Moran	ARA - Director
Lance Lyttle	HAS – Chief Development Officer
Janet McCown, CCP	HR – Division Manager

Three Non-City Representatives

Raul Luzarraga	METRO – VP of Human Resources
Jeffrey Mansfield	UPS – HR Director
Kay J. Moore, CCP, SPHR	Independent Consultant

STEP 1: PROJECT SCOPE OF WORK

The EPE Task Team has met regularly since September 23, 2011. At the beginning, the EPE Task Team received a history and overview of the City's EPE process presented by the City's Human Resources Department. Then the team discussed and outlined project expectations and, as a result, the EPE Task Team established **Guiding Principles** to serve as the foundation for these recommendations:

1. Primarily a tool to establish performance expectations and identify developmental opportunities.
2. Align with and communicate strategic business plan or balanced scorecard.
3. Strive for SMART measurements – Specific, Measurable, Achievable, Relevant and Timely (required elements of objectives to enhance fairness concept).
4. Process should promote ongoing feedback and communication of performance.
5. Keep it simple.

- Involve/engage employees.
- Include feedback from peers, customers and internal stakeholders.
- Make it a positive experience.

STEP 2: IDENTIFY KEY ACTIVITIES/OUTCOMES

The team identified **Key Activities/Outcomes** to be achieved:

1. Develop short-term (Spring 2012) and long-term recommendations for performance reviews.
2. Benchmark against other entities' performance forms and practices and "best practices."
3. Develop a plan to ensure commitment to full implementation (not overnight, will take years).

STEP 3: SHARED EXPERIENCES

Team members from both inside and outside of the City shared their performance review processes, principles, practices, and tools. Additionally, the team reviewed performance review systems from other sources such as, but not limited to:

- City of Phoenix;
- TEAM Industrial Services; and
- US Navy.

The team also reviewed and discussed "best practices" articles on the subject. From these findings, we benchmarked:

- Similarities and differences in our City's practices;
- Execution methodologies; and
- Forms and technologies.

STEP 4: GAP ANALYSIS

We then identified the strengths and weaknesses of the City's current EPE process/system (see chart below) and conducted a Gap Analysis between the current process and the benchmarked best practices described above.

STRENGTHS	WEAKNESSES
Flexible to meet departmental needs and culture	Not required to be aligned with department's strategic goals, i.e., balanced scorecard
Have established guidelines and process that promote best practices	Execution of "best practices" is not universally enforced/encouraged by management or some departmental cultures
"Best practices" training available at the EB Cape	Current guidelines and processes are not known by or fully executed by supervisors
High compliance rate in providing employees their reviews	Supervisors not required to provide regular feedback, i.e., quarterly
	Ensuring measurements are as objective as possible is not enforced
	Ensuring ratings are fair, i.e., not based on tenure or most current event, is not enforced
	Does not require participation by the employee, i.e., self-rating
	Current practice places more emphasis on the form than the conversation
	Core competencies are not established for supervisor and manager reviews

RECOMMENDATIONS

The Team is making the following recommendations to enhance the City's EPE process/system:

1. New process flow
2. Short form for non-managers
3. Long form for managers
4. Implementation steps

Recommended Process Flow (See Appendix A):

At the beginning of the performance review process:

1. The department shall establish annual goals/objectives and department Directors calibrate ratings with their staff.
2. The supervisor and employee should agree on performance metrics.
3. The employee's EPE should be aligned with the department's goals/objectives, core values/competencies and the supervisor's EPE.

Throughout the performance review period:

1. The supervisor should provide on-going feedback, i.e., quarterly reviews.
2. Review EPE plan for any modifications to objectives/goals or behaviors.

At the end of the performance review period:

1. Employee provides input on his/her achievements.
2. Supervisor completes performance review and submits to his/her supervisor for review.
3. Supervisor discusses performance review with employee.
 - Should any rating changes occur to the performance review during this discussion, the supervisor should resubmit to his/her supervisor for another review.
4. Performance review is finalized by signature of all parties.



Note: The EPE Task Team strongly recommends that the EPE process be renamed or rebranded, i.e., [Employee Workforce Improvement Network \(E-WIN\)](#). It is also suggested that we offer a citywide naming contest to help build interest and buy-in.

SHORT FORM & LONG FORM

Short Form for Non-Managers (See Appendix B):

The supervisor will use this form to:

1. Select four (4) primary SMART goals that align with the department's strategic goals;
2. Select four (4) primary behaviors/competencies that align with the department's core values or missions;
3. Strive for objective measurements on both the goals and behaviors/competencies; and
4. Provide development suggestions and comments that are constructive or recognize performance.

Long Form for Managers (See Appendix C):

The long form is the short form plus it includes a section for the supervisor to select an additional four (4) management behaviors/competencies essential for achieving the department's strategic goals or core missions. One of the four management behaviors/competencies should evaluate how the manager executes the performance review process.



Note: A majority of the Task Force members believe that the weighting should be equally distributed on all sections for both the short and long forms and a minority believed that Department Directors should be able to assign and approve weightings for these areas.

IMPLEMENTATION STEPS

2011 Options:

1. Use current EPE form based on current performance plan.
2. Allow use of new form if supervisor and employee agree on the new performance plan.

2012:

February 2012

1. Start mandatory training for all supervisors and managers on the new EPE process stressing regular feedback and objectivity.
2. Train supervisors and managers on using the new forms.
3. Send out communications to all employees about the enhanced process. Make it a transparent process where the organization, managers, and employees understand their contribution to the program.

April/May 2012

4. Directors develop departmental strategic plans or balance score cards and identify core values (part of budget planning process). Calibrate ratings with staff.
5. Determine core behaviors and competencies to be evaluated.
6. Determine frequency of reviews, i.e., quarterly, semi-annual.
7. Supervisor and employee agree on new performance plan.

CRITICAL SUCCESS FACTORS

All departments directors will champion the implementation of the new process and will develop annual business plans or balance scorecards.

All supervisors will be trained on and fully carry out the “best practices” listed below:

- Establish SMART goals with the employee.
- Strive for fairness and provide specific examples to support ratings other than “meets expectations.”
- Provide regular communication with the employee.
- Include growth and development opportunities for employees.
- Align employee goals with Department and City goals.

CONCLUSION

In conclusion, the revisions in this report will transform the EPE process into a strategic and tactical tool that:

- aligns employee's primary goals for the year with the department's primary goals and aligns the behaviors that support the department's core values;
- engages our employees in their work, which increases employee satisfaction and productivity; and
- fosters regular communication between the employee and supervisor.

The enhanced process can help a manager improve by providing him/her a road map to plan, implement projects, develop staff, identify high performers and critical resources, and better communicate.

It can help an employee improve by identifying where he/she should focus their efforts, develop key knowledge, skills, and abilities so he/she can have a successful career and improve their communication/relationship with their manager and work group. Of course, these individuals need to be willing to change. We can take the first step by transforming the EPE process.



-END OF REPORT-

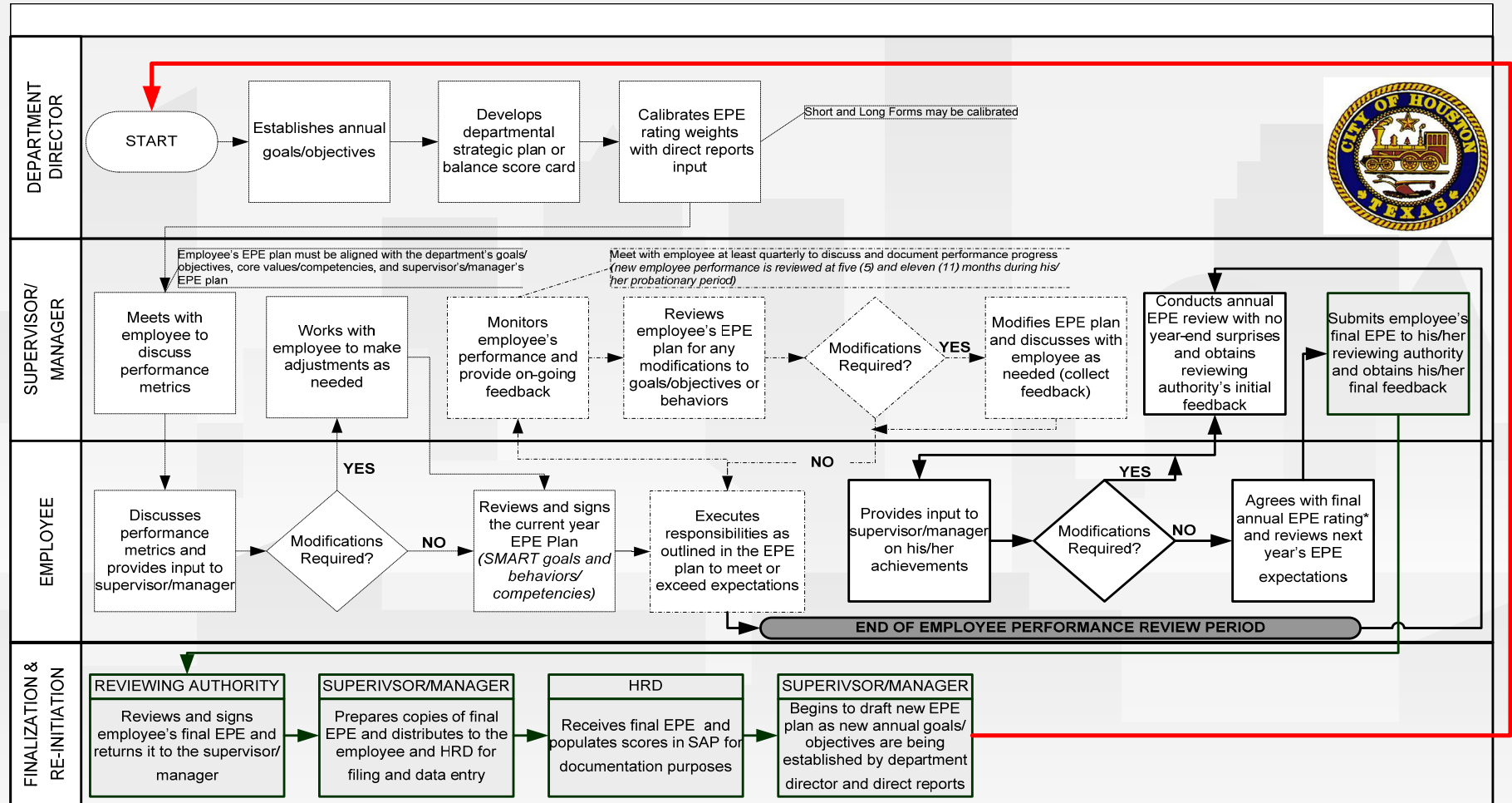
APPENDICES

APPENDIX A: EPE BUSINESS PROCESS SUMMARY WORKFLOW

APPENDIX B: EPE SHORT FORM

APPENDIX C: EPE LONG FORM

Employee Performance Evaluation (EPE) Summary Workflow



* Employees may seek to address unresolved EPE issues using one of the City's dispute resolution alternatives (i.e. ECRP, Grievance, etc.)

